

HIGHLY CONFIDENTIAL

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA, et al,

Plaintiff,

vs. Case No.
1:23-cv-00108-LMB-JFA
GOOGLE, LLC,

Defendant.

**HIGHLY CONFIDENTIAL **

REMOTE VIDEOTAPED DEPOSITION OF

KEN BLOM

Tuesday, August 29, 2023

12:37 p.m. (EDT)

Reported by:

Joan Ferrara, RMR, FCRR

Job No. 2023-908869

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2 Q And do you understand that the
3 information you provide during this
4 deposition may be used by the Department of
5 Justice in other civil, criminal,
6 administrative or regulatory cases or
7 proceedings?

8 A Yes.

9 Q Right. And do you have any
10 other questions as we get started?

11 A No. Let's do it.

12 Q All right. So to begin -- to
13 begin, could you state your name?

14 A Yeah. Kenneth Blom.

15 Q Okay. And what do you do for
16 work?

17 A I work in advertising. I am the
18 EVP of strategy and operations at BuzzFeed,
19 Inc.

20 Q Okay. And where were you born
21 and raised?

22 A Rochelle Park, New Jersey --
23 born and raised in Rochelle Park, New
24 Jersey. I was born in Meadowlands
25 Hospital, if it's relevant.

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2 Q And can you walk me through your
3 education background?

4 A Yeah. BA in business -- so,
5 sorry. Grammar school, high school, went
6 to Bergen Catholic High School in New
7 Jersey, went to Moravian College in
8 Bethlehem, Pennsylvania and graduated with
9 a business degree there.

10 Q And when did you graduate --
11 graduate college?

12 A 2007.

13 Q All right. And you're currently
14 employed at BuzzFeed?

15 A Correct.

16 Q When did you start there?

17 A 2012. 2012.

18 Q And so before you started at
19 BuzzFeed, where did you work?

20 A I worked at an ad agency called
21 "Reprise Media." They're into paid search.

22 Q And so how long were you at
23 Reprise?

24 A Three to four years.

25 Q Okay. And, basically, an

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2 advertising agency?

3 A Correct.

4 Q And when you were at Reprise,
5 could you describe your role? It looks
6 like you were focused on social and search?

7 A Yeah. I started as marketing
8 coordinator, worked on paid search
9 advertising campaigns. That was early
10 days, social, and so cut my teeth on
11 everything, you know, Facebook and Facebook
12 ads, you know, as it was happening.

13 Q And as part of that role, did
14 you also do display advertising?

15 A It was not in my sort of sphere,
16 but I was next to agencies that were doing
17 it.

18 So you had an agency that would
19 do display, an agency that would do paid
20 search, and then potentially social. I was
21 on the paid search team, but I worked
22 counterpart with the display team.

23 Q So it sounds like as you were
24 working counterpart, you were still
25 working --

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2 A Yeah.

3 Q -- in display advertising?

4 A We were -- we were an agency,
5 and our client was buying both media
6 tactics from us. So we spoke quite
7 frequently. I just had to focus on the
8 discipline of search and social.

9 Q Got it.

10 And so then can you talk to me
11 about your transition from Reprise to
12 BuzzFeed in -- around 2012?

13 A Yeah, around 2012, I had -- my
14 boss and two people I worked with at
15 Reprise go over to BuzzFeed, and they
16 eventually hired me after about a year.

17 And their remit was to sort of
18 figure out, you know, how do you make
19 content go viral, how can you get more ad
20 impressions for advertisers?

21 At the time, BuzzFeed, in 2012,
22 was a small website trying to do a lot of
23 things. It was very tech lab and
24 innovation. And myself and two other
25 people were brought on to sort of figure

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2 out the advertising component of it.

3 Q Okay. And so when you were
4 brought on, what was your title at that
5 point?

6 A Gosh. So we called the team
7 "social discovery." Social discovery was
8 exactly what I was describing before, which
9 is how do you sort of get more eyeballs to
10 the content that we were creating? But I
11 think I was an associate director.

12 Q Perhaps it sounds like a quiz,
13 but can you walk me through your evolution
14 at BuzzFeed, the different roles?

15 A Yeah, sure.

16 So started on this social
17 discovery team. I was on that team for --
18 and, also, sort of still oversee that team
19 today, but the evolution of it was focusing
20 on this one part of the business, which is
21 how do you get more eyeballs to content and
22 how do you fill advertising campaigns?

23 Eventually grew that to the O&O
24 parts of our website, so a traditional ad
25 operations that publishers have, I took

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2 that under myself and I had ad ops and
3 social discovery, which was sort of
4 thinking about the own and operated as well
5 as the social aspect of all things how to
6 run an ad campaign.

7 That's the bulk of about like
8 six or seven years there. And then over
9 time took on more responsibilities, which
10 would include business development, our
11 creator's team, our creative branded
12 content teams, which these are all things
13 that I oversee today, and then anything
14 operationally led.

15 So as it relates to the business
16 for BuzzFeed Inc., everything sits under
17 myself, with the exception of our direct
18 sales team.

19 Q Okay. And so what's your
20 involvement with the direct sales team?

21 A It's like inextricably linked.
22 They are our partners. My team is building
23 things for them to sell and executing
24 things that they sell.

25 Q We might get into that later --

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2 A Yeah, sure.

3 Q -- your involvement there.

4 And so in your current role in
5 business operations, are you involved in
6 BuzzFeed's revenue as well?

7 A Very much so.

8 Q What would you say your role is
9 regarding BuzzFeed's revenue stream?

10 A 99 percent, yeah.

11 Q Okay. 99 percent meaning that
12 99 percent of your job is focused on
13 building revenue, is that correct?

14 A Correct, correct.

15 Q So at a high level, tell me
16 about BuzzFeed's business.

17 A Yeah. So the business of
18 BuzzFeed, Inc. -- you want to go today or
19 history or --

20 Q Well, let's do the history.
21 I'll learn a little bit about BuzzFeed.

22 A Okay. Sure.

23 So as I mentioned, 2012, we were
24 a website, but also focusing on social
25 media and focusing on the virality of

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2 introduced programmatic advertising and
3 delivering display ads on BuzzFeed.com.

4 Fast forward a few more years,
5 we've purchased HuffPost, and we're not
6 just doing what we're doing for BuzzFeed,
7 Inc. and Tasty, we're also doing it for
8 HuffPost.

9 And then similarly, a year
10 later, you're doing it with Complex. We
11 became a public company. And everything
12 under this sphere is making ad revenue on
13 IP that we develop, ad space that we can
14 sell, or services that clients would buy
15 into, like an event or an experience.

16 Q And so how important is that ad
17 revenue to BuzzFeed?

18 A Very important. Yeah, very
19 important.

20 Q So when you're looking at
21 BuzzFeed's revenue, what percentage of its
22 revenue is from selling its inventory to
23 advertisers?

24 MR. JUSTUS: Objection. Form.

25 BY MR. GOLD:

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2 Q What percentage of BuzzFeed's
3 revenue is from advertisements?

4 A Can you clarify where?

5 Q Throughout all of BuzzFeed's
6 different publishers. I know you mentioned
7 a couple of different types. You mentioned
8 Tasty, BuzzFeed.com.

9 A Yeah. I think it would be --

10 MR. JUSTUS: Sorry, sorry, and
11 if you can, just give me a beat so I
12 can object.

13 So objection. Form.

14 Go ahead.

15 BY MR. GOLD:

16 Q You can answer the question.

17 I can ask you again as well, if
18 it will help you.

19 A Sure. Can you ask it again?

20 Q Sure.

21 What percentage of BuzzFeed's
22 revenue is from advertising?

23 A I'd say --

24 MR. JUSTUS: Same objection.

25 Go ahead.

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2 A [REDACTED] percent.

3 Q Okay. And what's the other
4 percentage of BuzzFeed's revenue from?

5 A Branded content.

6 Q Okay. And what does branded
7 content mean?

8 A So, to clarify, when you say
9 "advertising" and I answered, advertising
10 is selling space for inventory that we've
11 created.

12 Branded content is making
13 content with an advertiser. It will also
14 sell space for inventory created, but we
15 make the content.

16 For advertising, the advertiser
17 is just going to place their ad.

18 Q So what would an example of
19 branded content look like for BuzzFeed?

20 A Yeah, it would look something
21 like we've made a Tasty video for an
22 advertiser for -- the advertiser is
23 McCormick, and we're going to include their
24 spices, we're going to make the video,
25 distribute the video and the advertiser is

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2 A No, not at the moment.

3 Q Do you regularly work anywhere
4 else?

5 A New York often.

6 Q Okay. So going back to talk
7 about BuzzFeed's advertising, with display
8 advertising, I'm curious to know more about
9 what types of display advertising BuzzFeed
10 is involved in.

11 MR. JUSTUS: Objection. Form.

12 BY MR. GOLD:

13 Q So is BuzzFeed involved in open
14 auction display advertising?

15 A Yes.

16 MR. JUSTUS: Same objection.

17 BY MR. GOLD:

18 Q Is BuzzFeed involved in
19 programmatic advertising?

20 A Yes.

21 Q And I know earlier you said it,
22 but BuzzFeed is involved in direct sale
23 advertising?

24 A Correct.

25 MR. JUSTUS: Objection. Form.

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2 BY MR. GOLD:

3 Q BuzzFeed is also involved in
4 YouTube and streaming advertisement?

5 MR. JUSTUS: Objection. Form.

6 A Uh-huh.

7 Q Audio?

8 A Yes, we are, very little.

9 Q What percentage of BuzzFeed's
10 revenue comes from Google AdTech?

11 MR. JUSTUS: Objection. Form.

12 A Yeah, I would have to look, but
13 it's -- yeah, I don't know off the top of
14 my head.

15 Q Do you have like a ballpark
16 guess?

17 MR. JUSTUS: Objection. Form.

18 A Close -- close to ■ percent.

19 Q And that's close to ■ percent
20 of BuzzFeed's revenue comes from Google
21 AdTech?

22 A Not revenue. It just depends on
23 how you define "advertising revenue," so --

24 Q I'll follow your definition if
25 you want to tell me how you best define it.

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2 A Yeah. If I were to define it as
3 display advertising revenue from Google, ■
4 to ■ percent.

5 Q Okay. So I'll shift gears to
6 talk about publisher ad servers.

7 Is that okay?

8 A Sure.

9 MR. JUSTUS: I'm sorry, I should
10 have -- I meant to object to the form
11 of the prior question, but go ahead.

12 MR. GOLD: Okay.

13 BY MR. GOLD:

14 Q So some people abbreviate it as
15 "PAS."

16 Could you tell me what a
17 publisher ad service is?

18 A Yeah. So publisher ad server,
19 like Google, would be helping us deliver --
20 you know, if the publisher is the supply
21 side, Google is the ad tech and the
22 infrastructure, or this publisher or ad
23 server is the ad tech and the
24 infrastructure that helps you deliver those
25 ads.

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2 Q Okay. And I think you hinted at
3 the answer to my next question there, but
4 for display, what publisher ad server does
5 BuzzFeed use?

6 A Use Google.

7 MR. JUSTUS: Objection. Form.

8 BY MR. GOLD:

9 Q I think you said, "Use google"?

10 A Correct.

11 Q Is there a specific, like,
12 software within Google that you use,
13 maybe --

14 A Google Ad Manager.

15 Q All right. Google Ad Manager.

16 MR. JUSTUS: Objection. Form.

17 Again, sorry -- and, sorry, can
18 I just pause for a second?

19 So it would be helpful,
20 Mr. Blom, if you could just pause for
21 a second to allow me to object.

22 THE WITNESS: Sure.

23 BY MR. GOLD:

24 Q So Google Ad Manager, also
25 referred to as "GAM," or "DFP," is that

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2 right?

3 A Correct.

4 Q Okay. Why does BuzzFeed use
5 Google Ad Manager?

6 A Ease of use. When I think about
7 ease of use, I think about training people
8 who have used the service before, and many
9 have used GAM or DFP.

10 And then I think about tools and
11 services that come along with it. They've
12 spent a lot of time doing this for,
13 obviously, a lot of other publishers and
14 built out a lot of features.

15 Q What are those other tools and
16 features?

17 A Just interface or forecasting
18 tools, anything that helps our ad
19 operations team deliver ads.

20 Q Got it.

21 Have you ever considered having
22 BuzzFeed build its own publisher ad server
23 and using that instead of Google Ad Manager
24 or DFP?

25 MR. JUSTUS: Objection. Form.

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2 into each of those different points that
3 you just flagged.

4 So in regards to cost, can you
5 expand on that?

6 A Yes. So ad serving fees are a
7 consideration when you're looking at your
8 ad server. And so, you know, did they
9 offer a better rate?

10 Q Okay. And it sounds like you've
11 compared GAM's rates to other providers'
12 rates, is that right?

13 A Only one, and it was many years
14 ago.

15 Q And, I'm curious, what was that
16 one, and when was that analyzed?

17 A Smart AdServer.

18 Q And when did you guys look at
19 Smart?

20 A I don't remember.

21 Q Was it three years ago, within
22 the last three years?

23 A Four plus.

24 Q Four-plus years ago?

25 So since looking at it then, you

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2 haven't looked at alternatives to GAM

3 since, is that right?

4 A Correct.

5 Q Do you remember how Smart's

6 costs compared to Google's cost -- Google

7 Ad Manager's costs?

8 A We never put them head to

9 head --

10 Q Okay.

11 A -- but Smart was offering

12 cheaper than Google. But we did not get

13 that far down an actual analysis.

14 Q I know you didn't get to an

15 analysis.

16 Do you remember how cheaper

17 Smart's was?

18 A No.

19 Q Okay. And then you mentioned

20 other complexities. You talked about

21 demand issues.

22 I understand your points today

23 about the demand impacts in creating your

24 own publisher ad server, but can you talk

25 about the worries with switching to another

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2 Like how much training would be
3 required to switch ad servers?

4 MR. ARTEAGA: Objection. Form.

5 A Unclear. It's just how -- you
6 know, how do people adopt things? Where
7 does a widget live within this tool versus
8 that tool? You know, that there would be
9 troubleshooting, let's just say six months.

10 Q Okay. I'm going to shift to
11 talk about AdX.

12 Are you familiar with AdX?

13 A Yes, I am.

14 Q Okay. Could you explain AdX to
15 us and your familiarity with it?

16 A Yeah. AdX is Google's
17 advertising demand, and we leverage it as a
18 source of demand.

19 Q Okay. How would you describe
20 that to a layperson who is not familiar
21 with the ad tech space?

22 A If you wanted to buy advertising
23 and you logged into Google and, you know,
24 went through their sort of channels, that
25 is the system at which you can buy

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2 advertising via Google.

3 I would describe it to somebody
4 as like if you log into Facebook and buy
5 advertising there, you're buying Facebook's
6 advertising product. This is Google's.

7 Q That makes sense.

8 Does BuzzFeed use AdX?

9 A Yes.

10 Q What percentage of BuzzFeed's
11 programmatic revenue comes from AdX?

12 MR. JUSTUS: Objection. Form.

13 A Around ■ to ■ percent.

14 Q And how about display revenue?

15 MR. JUSTUS: Objection. Form.

16 A I view that the same as
17 programmatic.

18 Q What percentage of BuzzFeed's
19 programmatic display revenue comes from
20 AdX?

21 A ■ to ■ percent.

22 MR. JUSTUS: Objection. Form.

23 BY MR. GOLD:

24 Q Could you repeat that answer? I
25 think you were talking at the same time as

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2 Mr. Justus.

3 A [REDACTED] to [REDACTED] percent.

4 Q Okay. And how does that compare
5 to the next largest exchange?

6 MR. JUSTUS: Objection. Form.

7 A Much larger.

8 Q Could you give a ballpark?

9 A Probably three to four times the
10 next largest partner.

11 Q Okay. So I'm thinking, you
12 know, do math on the spot, you know, 40 to
13 50 divided by 3, right, so that would be
14 like -- would you say like 10 to 15 percent
15 is the next largest exchange for BuzzFeed?

16 A Yeah.

17 MR. JUSTUS: Objection. Form.

18 BY MR. GOLD:

19 Q Okay. How unique or not unique
20 is AdX's demand?

21 MR. JUSTUS: Objection. Form.

22 A I would say it's unique.

23 Q What makes it unique?

24 A Google is a large advertiser,
25 right? They have a lot of small businesses

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2 that may be buying through AdX versus some
3 of the other partners that we leverage
4 maybe for larger ad budgets or larger
5 spenders.

6 Q What would happen to BuzzFeed if
7 BuzzFeed lost AdX's demand?

8 MR. JUSTUS: Objection. Form.

9 A I would be speculating. We
10 would have to be finding new sources of
11 demand and working with new partners and
12 trying to grow those partners.

13 Q What would that process look
14 like?

15 MR. JUSTUS: Objection. Form.

16 A We would -- we would probably
17 work with our next largest partners to sort
18 of figure out how much more inventory that
19 they can fill knowing we would have more
20 inventory for them.

21 Q Would they be able to do that?

22 A Potentially.

23 MR. JUSTUS: Objection. Form.

24 BY MR. GOLD:

25 Q Do you think that Google's AdX

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2 THE VIDEOGRAPHER: The time is
3 1:26 p.m., and we're back on the
4 record.

5 BY MR. GOLD:

6 Q All right. So you've talked
7 about costs. So I want to shift the
8 conversation to ask you about take rate.

9 Are you familiar with the term
10 "take rate"?

11 A Yes.

12 Q Can you tell me what take rate
13 is?

14 A What is the net proceeds to the
15 publisher after all cost for advertising.

16 Q So would a high take rate be
17 good or bad for BuzzFeed as a publisher?

18 A It would be a good thing.

19 Q It would be a good thing.

20 So it's what BuzzFeed as a
21 publisher is taking from its sales?

22 A Yes.

23 Q Okay. How do AdX's open auction
24 take rates for BuzzFeed compare to other
25 take rates in open auction take rates?

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2 MR. JUSTUS: Objection. Form.

3 A I don't want to comment on other
4 publishers, but I think we know, like, if
5 we read the trades, that's what we assume.

6 Q And so for the same reason --
7 you know, you might not want to answer this
8 question, that's totally fine.

9 Are you aware of any publishers
10 who have switched from using Google Ad
11 Manager to using a different publisher ad
12 server?

13 A I'm not -- I don't know who
14 switched, yeah.

15 Q How would you characterize
16 Google Ad Manager?

17 MR. JUSTUS: Objection. Form.

18 A For BuzzFeed, Inc., it is our --
19 our ad serving tool provides good ease of
20 use, and people know how to use it.

21 Q Okay. I want to shift to talk
22 about open auction versus direct.

23 Earlier in our conversation, you
24 mentioned direct.

25 A Yep.

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2 Q Can you explain the differences?

3 A Direct sold is going to be our
4 sales team out there talking to a client,
5 getting RFPs and, you know, winning deals
6 in a, what we'll say, compared to
7 programmatic, a very manual way.

8 When they win those deals, it's
9 going to include any number of products.
10 And as I was kind of mentioning earlier in
11 the call, those products are probably going
12 to be some type of bundle of branded
13 content display -- and I could clarify the
14 difference between traditional display
15 versus custom display -- and, you know,
16 we're trying to package that up for an
17 advertiser.

18 And the reality is, it's manual,
19 but we're delivering you services in
20 exchange for several products. Our --
21 yeah.

22 And open auction, there are no
23 sellers. There's no communication with us
24 directly. We don't necessarily know who is
25 buying until after the fact. And, you

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2 know, we see who -- you know, we see that
3 later, and we sort of collect the check
4 from any of our open auction partners.

5 Q Okay. What percentage of
6 BuzzFeed's display revenue comes from open
7 auction?

8 A I want to say ■ to ■ percent.

9 MR. JUSTUS: And I'm sorry to be
10 late on this, but object to the form.

11 BY MR. GOLD:

12 Q What percentage of BuzzFeed's
13 display revenue comes from direct display?

14 MR. JUSTUS: Objection. Form.

16 Q And the delta there, there's a
17 gap. Where does the other percentage come
18 from?

19 A Programmatic private
20 marketplaces and programmatic guaranteed.
21 If you want to get nuanced about it,
22 programmatic guaranteed and private
23 marketplaces do require a level of selling,
24 but I don't call that direct sold.

25 So I would say there's three

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2 buckets. There's open auction, PMP/PG, and
3 then direct.

4 Q And are you familiar with the
5 term "CPM"?

6 A Yes.

7 Q What is it?

8 A Cost per million. So, you know,
9 how many ads are you delivering -- how many
10 ad impressions -- it's how we value and
11 transact on ad impressions in the
12 advertising community.

13 Q And so how do the CPMs compare
14 for direct display and open auction?

15 A Yeah, if you want to use my
16 three tiers, direct, PG/PMP and open
17 auction, it's going to go from highest,
18 then direct, to lowest in open auction.

19 Q So I get like the tier of
20 highest to lowest. What would the PMP be
21 for direct?

22 A Direct sold --

23 MR. JUSTUS: Objection to form.

24 THE WITNESS: Sorry, you're
25 fine. I'll give you more pause.

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2 A Direct sold is going to be,
3 depending on what they're buying, anywhere
4 from [REDACTED] to maybe [REDACTED], on average.

5 PG could be exactly the same.

6 PMP is probably going to be far
7 more in that [REDACTED] to [REDACTED] range and potentially
8 a little bit [REDACTED] in some cases.

9 And then open auction is going
10 to be about [REDACTED] to [REDACTED].

11 Q All right. And I'm curious to
12 talk to you about the demand varying
13 between those buckets.

14 So how much demand would you say
15 there is for direct display compared to how
16 much demand is there for open auction?

17 MR. JUSTUS: Objection. Form.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1

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[REDACTED]

25

Q

Okay.

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(Recess taken 2:04 p.m.)

(Resumed 2:14 p.m.)

THE VIDEOGRAPHER: The time is
2:14 p.m., and we're back on the
record.

EXAMINATION BY

MR. JUSTUS:

Q Okay. Mr. Blom, thanks again
for sitting for a deposition today.

Do you understand that the rules
from earlier still apply? In particular,
you're required to tell the truth?

A Yes, I do.

Q Mr. Blom, are you aware that the
DOJ conducted an investigation into
Google's ad technology business?

A Yes.

Q Did you meet with the DOJ at any
point regarding Google's ad technology
business?

A Yes.

Q How many times?

A Twice.

Q So we'll talk about each of them

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2 hour?

3 A How advertising works, a lot of
4 definition things. What is BuzzFeed's role
5 in relation to Google? Some of the things
6 that we covered today, although not as
7 direct as things like would you switch ad
8 servers?

9 More, you know, where -- you're
10 asking about the first interview, and the
11 first interview was not as specific.

12 Q Did the DOJ tell you anything
13 about its investigation, its status or its
14 goals or anything like that during that
15 first meeting?

16 A Not necessarily.

17 Q Did the DOJ show you any
18 documents in that first meeting?

19 A No.

20 Q Did you give the DOJ any
21 documents in that first meeting?

22 A No.

23 Q What about the second meeting,
24 when did that happen?

25 A My counsel may remember, but

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2 that was pretty recently. Earlier this
3 year?

4 Q Okay. And was that in person or
5 by video?

6 A By video.

7 Q And who was present at that
8 meeting?

9 A Myself and my counsel, DOJ.
10 Don't remember.

11 Q Do you recall --

12 A No.

13 Q And how long was that meeting?

14 A Again, maybe an hour, hour and a
15 half.

16 Q And what did the DOJ ask you
17 about in that meeting?

18 A Similar questions to the
19 questions you heard today about switching,
20 you know, would we switch? Have we thought
21 about switching ad servers?

22 They asked about header bidding.

23 They asked about unified pricing rules.

24 And, yeah, it was a lot of the line of
25 questioning that you heard this afternoon.

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2 Q What did they ask you about
3 header bidding?

4 A They had asked us if we used it?
5 Did we think it was a threat to Google's
6 business? How did -- you know, do we
7 implement it? Definition of it. Those
8 things.

9 Q And what did you say about
10 header bidding?

11 A My line on it is it's been
12 around since we've been running
13 programmatic. So it is a, I would say,
14 necessary form of -- necessary form and
15 tactic.

16 Google is a part of it, levels
17 the playing field for us a little bit, and
18 I think it -- some of the line of
19 questioning was around do we think it's a
20 threat to Google's business?

21 And I -- you know, I think I
22 would say it's -- Google is doing fine with
23 it. If they didn't have it, I'm sure it
24 might be different, but I didn't feel
25 strongly about how it's impacting Google's

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2 business because, again, I'm only speaking
3 for my business as the publisher.

4 Q And what did they ask you about
5 UPRs?

6 A They asked me about unified
7 pricing rules. Do we use it? How do we
8 think, you know, it's working behind the
9 scenes, and did we speak favorably to it?

10 I had suggested -- sorry, that's
11 what they asked.

12 Q And what did you say in
13 response?

14 A I said that for our team to
15 manually be changing bids all the time is a
16 pretty laborious task. So my ad ops team
17 and my programmatic technical account
18 managers like using it.

19 How it works behind the scenes,
20 I couldn't speak to.

21 Q So you liked the UPR
22 functionality?

23 A Like?

24 MR. GOLD: Objection. Form.

25 BY MR. JUSTUS:

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2 Q Yeah, I'm sorry, Mr. Gold, I
3 grew up in the Appalachians, so the accent
4 comes out sometimes.

5 But are you in favor of the UPR
6 functionality?

7 MR. GOLD: Objection.

8 A Yes, we are.

9 Q The DOJ didn't ask you anything
10 about UPRs earlier today, did it?

11 MR. GOLD: Objection. Form.

12 A They did not.

13 Q Did the DOJ ask you anything
14 about header bidding earlier today?

15 A They did not.

16 Q Other than you, Mr. Blom, are
17 you aware of anyone else from BuzzFeed who
18 met with the DOJ regarding Google's ad
19 technology business?

20 A No, I am not.

21 Q Did you meet with anyone else
22 regarding an investigation into Google's ad
23 technology business?

24 A No, I have not.

25 Q So, Mr. Blom, understanding,

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2 BY MR. JUSTUS:

3 Q Mr. Blom, other than your
4 lawyer, did you discuss your deposition
5 today with anyone else?

6 A With some internal colleagues,
7 but not about today, just about the
8 deposition, in general.

9 Q What did you talk about,
10 generally?

11 A In the past, we had talked about
12 previous prep for things like if I'm asked
13 about header bidding or unified pricing
14 rules and just how -- yeah, as I mentioned,
15 getting feedback from the teams as to how
16 they are using certain things, those are
17 the kind of conversations that I had.

18 But not in prep for today. I'm
19 actually dating myself and just talking
20 about in prep for any of the DOJ
21 conversations I've had.

22 Q So, Mr. Blom, is your positive
23 opinion concerning Google's unified
24 processing rules informed by what you
25 understand the views are of other folks at

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2 BuzzFeed?

3 MR. GOLD: Objection. Form.

4 A Yeah, it's informed by my team
5 that's using them, rather than myself who
6 is not in the tool every day.

7 Q But for the avoidance of doubt,
8 especially given the objection, Mr. Blom,
9 it's your view that Google's unified
10 processing rules are a positive thing?

11 A Yes.

12 MR. GOLD: Objection. Form.

13 A Yes, it's my view.

14 MR. JUSTUS: Matthew, what's
15 your objection specifically?

16 MR. GOLD: Leading. Ambiguous.
17 Compound.

18 BY MR. JUSTUS:

19 Q Mr. Blom, is it your view that
20 Google's unified processing rules make
21 Google's ad technology work better?

22 MR. GOLD: Objection. Form.

23 BY MR. JUSTUS:

24 Q You can answer.

25 A Yes, they do.

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2 Does programmatic include all
3 indirectly sold display advertising?

4 A My definition of programmatic
5 would be anything that is open auction,
6 PMP/PG or outside vendors, which might not
7 necessarily compete in the open auction,
8 like a Taboola or an Outbrain is something
9 that's going to live outside, but I would
10 view that as within our programmatic stack.

11 Q What ad formats do you include
12 within programmatic advertising?

13 A Traditional display, 300 by 250,
14 and all of the ad formats that are standard
15 IAB units.

16 Q And what do those include?

17 A All the sizes you want?

18 Q Would you also include --
19 withdrawn.

20 So just so we're speaking
21 clearly, when I refer to "BuzzFeed" in
22 questions to come, do you understand
23 BuzzFeed -- let me withdraw that question.

24 BuzzFeed operates several
25 owned-and-operated properties, correct?

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2 A Correct.

3 Q What are they?

4 A Huffington Post, BuzzFeed.com,
5 Tasty.co. and Complex.com.

6 Q So when I refer to "BuzzFeed,"
7 will you interpret BuzzFeed to include all
8 of those properties?

9 A I would.

10 Q Does BuzzFeed distribute content
11 to users through desktop versions of its
12 websites?

13 A Yes.

14 Q And does BuzzFeed distribute
15 content to users through mobile websites?

16 A Yes, we do.

17 Q Does BuzzFeed distribute content
18 to users through mobile apps?

19 A Yes.

20 Q What mobile apps?

21 A BuzzFeed -- we refer to BuzzFeed
22 as the "big red brand" just to delineate.

23 So BuzzFeed and Tasty would be
24 the two apps that we have currently.

25 We have had many apps in the

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2 past -- sorry, HuffPost app as well -- but
3 those would be the three that we have at
4 the moment.

5 Q Does BuzzFeed distribute content
6 to users any other way?

7 A Social media and YouTube.

8 Q Does BuzzFeed sell desktop web
9 ad inventory on its properties?

10 A Yes, we do.

11 Q Does BuzzFeed sell mobile web ad
12 inventory on its properties?

13 A Yes, we do.

14 Q Does BuzzFeed sell in-app ad
15 inventory on its properties?

16 A Yes, we do.

17 Q When I say, "environment," I'm
18 referring to desktop web ads, mobile web
19 ads and in-app ads.

20 A Uh-huh.

21 Q Given that definition, do
22 advertisers often run ads on different
23 BuzzFeed environments at the same time?

24 MR. GOLD: Objection. Form.

25 A Yes, they do.

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2 Q Do advertisers move their
3 spending toward the environment providing
4 the best rate of return?

5 MR. GOLD: Objection. Form.

6 A Yes, they'll optimize, and we
7 will optimize for them. And some
8 advertisers don't care about environment,
9 they care about results, and so we'll
10 optimize toward a result or we can optimize
11 toward environment.

12 Q What do advertisers most often
13 care about when it comes to advertising
14 environment?

15 A Brand safety, quality, user and
16 audience.

17 So if I could just track that
18 back into all three. Brand safety is table
19 stakes. The audience that they're, you
20 know, trying to reach with their ad is
21 going to be the primary objective. And
22 then whatever return on ad spend or sort of
23 desired result they want is going to be
24 sort of the most important thing.

25 But that middle piece, the

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2 audience that they're reaching, is usually
3 the most important.

4 Q I'm sorry, Mr. Blom, I'm
5 unclear. What did you say was the most
6 important thing?

7 A Audience delivery.

8 Q Is that the same thing as return
9 on ad spend, or no?

10 A No. Audience delivery is -- you
11 know, we're talking about display
12 advertising, and, you know, you're going to
13 want to make sure that your ad reached the
14 intended audience.

15 Only a small percentage of those
16 that you reach are going to complete the
17 desired outcome you want. Maybe that's
18 clicking off the ad to their website and
19 buying something. That's great and
20 important, but that's not the, you know,
21 primary result of every single ad that's
22 served.

23 So if you think about the
24 intention of the ad that is served, the
25 most important thing is reaching the

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2 audience.

3 Q And how does return on ad spend
4 factor in?

5 A It definitely factors in. It
6 may be the reason that you, you know, win
7 another campaign or win another deal.

8 It's important -- you know,
9 return on ad spend is going to factor in
10 how much did this cost overall and am I
11 getting what I wanted from the publisher or
12 from the like ad targeting and unit that I
13 delivered?

14 Return on ad spend is extremely
15 important. It's just when I say the most
16 important thing is audience, I can
17 deliver -- everyone knows that display
18 advertising can deliver on audience every
19 time. Not everyone knows it can deliver on
20 return on ad spend every time.

21 Q If an advertiser is experiencing
22 on one environment that is providing a
23 relatively higher return on ad spend than
24 another environment, will the advertiser do
25 any sort of shifting?

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2 A Yeah, they will.

3 MR. GOLD: Objection. Form.

4 A Yes, they will.

5 Q How -- what kind of shifting
6 will they do?

7 A We may take budget from, you
8 know, entirely mobile and move it to
9 desktop if they're seeing that desktop
10 click-out rates are working more, if you
11 will.

12 You know, we're flexible to what
13 the advertiser needs and to what is getting
14 the advertiser the most results. We do
15 want them to run everywhere.

16 But, you know, in addition to
17 environment and, you know, the definitions
18 of mobile or desktop or mobile web, you
19 also have, are you running this ad across
20 HuffPost or Tasty or BuzzFeed? Which, as
21 you can imagine, you know, you're going to
22 get different audiences when you reach
23 those different brands.

24 Q Does BuzzFeed do anything to
25 encourage advertisers to move in the

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2 A So shifting -- to clarify,
3 you're asking -- are we talking about to
4 shift more money from desktop to mobile web
5 or to --

6 Q Correct.

7 A Yes. You know, a little less
8 so. I think when we're pitching
9 advertisers, a lot of our traffic is going
10 to be mobile, mobile web and apps. So
11 we're kind of anchoring the fact that we
12 want them to sell -- that we want them to
13 come in and buy mobile.

14 But if an advertiser only wants
15 desktop, we're happy to do that.

16 Q What ad formats can advertisers
17 purchase on BuzzFeed?

18 A I would clarify -- I would
19 describe them as standard IAP units, i.e.,
20 a 300-by-250 ad.

21 And then the other bucket of ads
22 are going to be custom display and then
23 native ads.

24

[REDACTED]

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2 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10 And so we have several units
11 like that, and we're constantly iterating
12 and testing like what are custom units that
13 would get the ad market excited.

14 And then native units, as I
15 mentioned, you know, when we make branded
16 content, a native unit would look something
17 like a paid placement for a branded piece
18 of content or a branded video that we have.

19 So standard display -- within
20 the standard display bucket, I also should
21 say we have standard video products as
22 well, so pre-roll ads, right?

23 All of these things you can buy
24 several different ways. We have custom
25 units and then we have native units.

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2 Q Do individual advertisers on --
3 sorry, Mr. Blom. Let me restart my
4 question.

5 Do individual advertisers on
6 BuzzFeed purchase ads in multiple formats
7 or a single format?

8 MR. GOLD: Objection. Form.

9 A Usually, multiple formats.

10 Q And how do advertisers on
11 BuzzFeed shift their spending between
12 formats based on the rate of return from
13 their advertising spending?

14 MR. GOLD: Objection. Form.

15 A From a direct seller
16 perspective, it would be a conversation of
17 mid campaign performance, or something like
18 that.

19 Q Can you expand on that a little
20 bit?

21 A Yeah. So if we have sold
22 advertising across many formats to a
23 client, you know, we would have something
24 like weekly check-ins with them. We'd be
25 sharing, you know, weekly campaign reports

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2 and making recommendations that maybe they
3 should shift formats and, you know, having
4 that conversation with the client about,
5 you know, do you want to put more into the
6 spotlight unit versus the display -- the
7 standard display unit? You know, you have
8 the capability to do those things.

9 Q Do -- how frequently will
10 advertisers switch between, let's say, a
11 standard static ad and a video standard ad?

12 A They would have to start -- I
13 don't think someone buying standard static
14 ads are going to switch to video if they
15 didn't start with video.

16 So just speaking to the ad
17 buying community a little bit more, there's
18 typically online video buyers that might
19 act and be a different team than the
20 display media buyers. So we have to think
21 about who we're talking to.

22 So if someone who was running
23 display ads, I don't think they're going to
24 move to video ads unless they're sitting
25 there with the video that they need.

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2 to our sellers and tell them like, Hey, let
3 the clients know that we have this new
4 capability.

5 So there is a go-to market
6 around the advertising units that we have.

7 Q Through what transaction types
8 does BuzzFeed sell ad inventory?

9 I know you talked a little about
10 this earlier, so I'm sorry to retread
11 ground.

12 A That's fine.

13 My tiers would be -- and this is
14 directly all waterfall -- direct
15 transaction type, so IO basis, manual;
16 programmatic guarantee; private
17 marketplaces; and then open auction.

18 Q Do advertisers on BuzzFeed buy
19 through multiple transaction types?

20 A They might.

21 MR. GOLD: Objection. Form.

22 BY MR. JUSTUS:

23 Q How often do they?

24 A It depends on the advertiser and
25 how big the advertiser is.

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2 You know, if you're speaking for
3 a really big advertiser, like PMG, they
4 might not even -- they're buying through
5 multiple transaction types, and I don't
6 even think they necessarily know how much
7 they're running on open auction versus
8 direct versus something else, so -- but a
9 smaller advertiser may not be, may not be
10 running through all of them.

11 But I would say -- I don't know
12 the percentage of how often some of them
13 would be running multiple, but -- yeah, I
14 can't give that percentage.

15 Q How does return on investment
16 impact advertisers' transaction type
17 purchases?

18 A I think it's important. I think
19 advertisers are constantly looking at their
20 budget, and return on investment is, you
21 know, increasingly more important than
22 something like brand awareness.

23 And just so you know how I'm
24 defining "return on investment" would be,
25 okay, did I truly net -- you know, I gave

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2 BuzzFeed \$1, did I make \$1.50, versus the
3 traditional display advertising world of I
4 gave BuzzFeed many dollars and I got this
5 brand study back that told me it did well.

6 You know, both of those are a
7 version of return on investment, but former
8 that, you know, give \$1, get \$1.50, that's
9 more realtime and more direct than what
10 would be the brand study where you're sort
11 of saying like, we commissioned a research
12 study to tell us that there was a return on
13 investment here.

14 Q So what happens if an advertiser
15 realizes that a particular transaction type
16 is giving a better return on investment?

17 MR. GOLD: Objection. Form.

18 A They would switch their budget
19 to that transaction type.

20 Q Mr. Blom, we're going to do
21 something that we have not yet done today.
22 We're going to look at a document.

23 MR. JUSTUS: Can we bring up

24 Tab 5?

25 MR. ARTEAGA: Ken, I think there

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2 Q That's helpful.

3 So we can put this document
4 aside.

5 MR. JUSTUS: Can we bring up
6 Tab 6?

7 MR. GOLD: And if we could do
8 the same thing with a PDF of the
9 document?

10 (Exhibit 2, document entitled
11 "The AdTech Monthly Update," Bates
12 stamped BUZZ-LIT-001211 through 222,
13 was remotely introduced and provided
14 electronically to the reporter, as of
15 this date.)

16 BY MR. JUSTUS:

17 Q Mr. Blom, I'm now showing you
18 Blom Exhibit 2.

19 What is this document?

20 A This is an update from our
21 AdTech team.

22 As I mentioned previously, our
23 AdTech team is a division of our
24 advertising that's going to focus on user
25 behavior and the actual implementation of

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2 ads. And they sit within our tech team.

3 And then this e-mail is to dev
4 team and ad stakeholders, which I'm an ad
5 stakeholder on this e-mail.

6 And it's a monthly update about
7 all the activity and things that they are
8 working on, optimizations to improve
9 monetization or, as I mentioned, you know,
10 we're always tinkering with custom units.
11 You know, this may highlight -- here's a
12 new feature to a custom unit we just tried.

13 Q Who is Bryan Harris?

14 A Bryan Harris is the head of our
15 AdTech user experience group, and he sits
16 on the tech team. He is a project --
17 essentially, a product dev and project
18 manager for the AdTech team.

19 Q Is Blom Exhibit 2 a true and
20 accurate copy of the monthly AdTech update?

21 A Yes, it is.

22 Q And this was -- was this
23 prepared in the ordinary course of
24 business?

25 A Yes, and still is today.

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2 can deliver more?

3 Which is, we kind of created the
4 Bright playlist here as a format that
5 helped us to deliver more O&O video.

6 Q And is this talking about direct
7 or indirectly sold ads?

8 A This is largely talking about
9 direct sold ads.

10 Q Can we go to 1219?

11 And do you see -- can we --
12 sorry, can you roll -- give me one second.

13 Can you roll down a little bit
14 on that page?

15 There we go.

[REDACTED]

1

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[REDACTED]

1 K. BLOM - HIGHLY CONFIDENTIAL

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

13 Q Thank you. We can pull that

14 document down.

15 Mr. Blom, who are BuzzFeed's key

16 competitors in the sale of advertising

17 inventory?

18 A Peer sets that we would compare

19 ourselves to could be a Vox, previously a

20 Vice, you know, Bustle Media Digital Group.

21 Those are going to be your like direct

22 digital display peer set that we think

23 about.

24 You can also think about your

25 non-traditional digital, which is going to

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2 competing with Facebook because that would
3 be a stretch of a goal that we would, you
4 know, not be able to motivate teams on.

5 Q Well, why did BuzzFeed partner
6 with Google's AdX AdExchange to sell
7 programmatic ads in 2017?

8 A It just -- we -- we were late to
9 running programmatic ads. We knew that
10 Google's AdX was a source of demand and
11 inventory and can get us up to speed as
12 fast as humanly possible, while we also
13 build out the rest of our tech stack.

14 So starting with Google AdX and
15 then moving to the other players and
16 partners to build out that competitive set
17 and create our ad stack and, you know, to
18 this day, we're constantly optimizing what
19 that looks like.

20 Sorry if I'm not answering the
21 question why, you know, it felt like a
22 natural -- a natural best way to start
23 getting into programmatic as that was new
24 for us in 2017.

25 Q Was Google -- let me restart

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2 that question.

3 Was BuzzFeed's launch of
4 programmatic ads sales through AdX
5 successful?

6 A Yes, it was.

7 Q Can you tell us about that
8 success?

9 A You know, I don't remember the
10 numbers because it was a while ago, but we
11 felt like launching programmatic, we had
12 some attainable goals as to how much
13 revenue we felt we were going to get from
14 programmatic. And, you know, AdX being one
15 of the partners and delivering demand with
16 us, it helped us hit those goals.

17 Try to compare it to some of
18 these other companies, like a Hearst or a
19 Conde that's had programmatic stacks up for
20 15, 20 years, and then here we are in 2017
21 saying, We're going to start now, right?

22 These things get better over
23 time. They don't start out extremely
24 successful -- or I -- and then when I say,
25 "extremely successful," it's not like, hey,

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2 if you turn on programmatic, in one month,
3 you're going to have \$100 million. That's
4 not what we set out to do. We set out to
5 build incrementally.

6 And I think through AdX and just
7 speaking of the success, I think we found
8 that incremental growth.

9 MR. JUSTUS: Mr. Blom, if it's
10 okay with you, we're going to take a
11 short break. I've got some more
12 questions, but I need to confer with
13 my colleague.

14 THE WITNESS: Yeah, sure.

15 MR. JUSTUS: We'll be back in
16 five.

17 THE VIDEOGRAPHER: The time is
18 3:03 p.m., and we are going off the
19 record.

20 (Recess taken 3:03 p.m.)

21 (Resumed 3:12 p.m.)

22 THE VIDEOGRAPHER: The time is
23 3:13 p.m., and we're back on the
24 record.

25 BY MR. JUSTUS:

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2 Q Mr. Blom, does BuzzFeed sell ads
3 through exchanges other than Google's AdX
4 AdExchange?

5 A Yes.

6 Q Roughly, how many ad exchanges
7 does BuzzFeed sell ads through?

8 A 20 to 30.

9 Q Can we bring up Tab 23?
10 (Exhibit 3, ads.txt file, 8
11 pages, was remotely introduced and
12 provided electronically to the
13 reporter, as of this date.)

14 MR. GOLD: One second. I'm just
15 opening up Tab 23, if it's okay with
16 you guys.

17 BY MR. JUSTUS:

18 Q So, Mr. Blom, I'm showing you
19 what we'll mark as Blom Exhibit 3.

20 What is this document?

21 A Our ads.txt file.

22 Q What is that?

23 A It is where -- ads.txt allows
24 you to see the exposure to, you know,
25 anything that is happening within ad calls

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2 on a website.

3 Q Does this list ad tech products
4 that sell BuzzFeed's inventory?

5 A Yes, it is.

6 Q And is this a true and accurate
7 copy of BuzzFeed's ads.txt file?

8 A Yes.

9 Q And is this something that
10 BuzzFeed prepares in the ordinary course of
11 business?

12 A By "prepare," I mean anyone can
13 access this file. So I don't think we
14 actually prepare it, but this is -- yeah,
15 this would be true and accurate
16 information.

17 Q And this is created in the
18 course of BuzzFeed's ordinary business,
19 correct?

20 A Correct.

21 Q Do you see toward the top
22 Magnite on here?

23 A Yeah.

24 Q Does that mean that BuzzFeed
25 sells inventory through Magnite?

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2 A Yes.

3 Q I should ask, what is Magnite?

4 A A sell-side platform, similar to
5 an AdX.

6 Q And do you see -- if you roll
7 down, do you see PubMatic on here?

8 A Yes.

9 Q Does that mean that BuzzFeed
10 sells inventory through PubMatic?

11 A Yes, we do.

12 Q What is PubMatic?

13 A Similar to Magnite, another ad
14 exchange.

15 Q And then if you roll maybe back
16 up, do you see Indexexchange?

17 A Yes.

18 Q And does that mean that BuzzFeed
19 sells inventory through Indexexchange?

20 A Yes, we do.

21 Q What is Indexexchange?

22 A Similar to PubMatic and the
23 others, and others, a sell-side platform.

24 Q And then do you see -- we're
25 going to have to scroll and look through

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2 this -- do you see OpenX?

3 A Yes.

4 Q And so does that mean BuzzFeed
5 sells inventory through OpenX?

6 A Yes, we do.

7 Q And what is OpenX?

8 A Another sell-side platform.

9 Q And are there -- are there
10 dozens of other entities on this list
11 through which BuzzFeed sells ad inventory?

12 MR. GOLD: Objection.

13 A Yes. Probably not as big as the
14 ones that you're seeing up at the top here.
15 And our relationships with them could ebb
16 and flow.

17 And so there could be dozens
18 more.

19 Q Is Amazon Publisher Services on
20 here?

21 A They should be.

22 Q Can we roll up?

23 A It should be Amazon Tam.

24 There they are.

25 Q Is Amazon listed as "APS"?

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2 A Yes.

3 Q What is APS.

4 A Amazon Publisher Services.

5 Q Tell us about that. What does
6 it do?

7 A So it would be similar to the
8 Magnite and/or AdX Exchange, but it's
9 Amazon's exchange.

10 And we are getting supply --
11 sorry, we're getting demand, and we're
12 offering supply to Amazon's exchange. And,
13 basically, this is Amazon fulfilled
14 inventory from their platform.

15 Q We can pull that document down.

16 MR. JUSTUS: Can we bring up
17 Tab 3?

18 (Exhibit 4, Power Point
19 presentation entitled "BuzzFeedInc
20 Programmatic Capabilities," Bates
21 stamped BUZZ-LIT-000272 through 342,
22 was remotely introduced and provided
23 electronically to the reporter, as of
24 this date.)

25 BY MR. JUSTUS:

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2 thing that each of the SSPs do.

3 So, you know, as I kind of
4 mentioned earlier, on the publisher side,
5 I'm trying to be as friendly and open and
6 available to whatever advertisers' needs
7 are. And if that means needing to work
8 with every SSP possible, we will do that.

9 Q Do SSPs sometimes market
10 themselves as having access to unique
11 demand?

12 MR. GOLD: Objection. Form and
13 foundation.

14 A Yes, I believe they do.

15 Q You can answer.

16 A I believe they do. How they're
17 winning clients over and -- I guess I can't
18 speak to sort of exactly what they're
19 saying to advertisers.

20 Q Do you believe that many SSPs
21 market themselves in that way?

22 MR. GOLD: Objection. Form and
23 foundation.

24 A I believe many would, in an
25 effort to compete.

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2 Q Mr. Blom, what's a demand-side
3 platform?

4 A DSP, demand-side platform, would
5 be a platform that would help enable us.

6 So, I'm sorry, I'm blanking on
7 who the DSPs are, but this is the buying
8 exchange and where the advertisers would be
9 buying. So like a Trade Desk.

10 Q Does BuzzFeed work directly with
11 any DSPs?

12 A Yes, we do. Trade Desk is a big
13 partner of ours.

14 Q How does BuzzFeed work with The
15 Trade Desk?

16 A That deck that you saw, that
17 go-to-market deck, that would be presented
18 to The Trade Desk because that -- those are
19 the people who are going to be making
20 buying decisions, and we would want to make
21 sure that they know every capability that
22 we have.

23 And so we're selling to them as
24 much as we can.

25 Q Are you familiar, Mr. Blom, with

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2 I look at my colleague -- I think we
3 are finished for now.

4 THE WITNESS: Thank you.

5 MR. GOLD: And I think that's a
6 natural time to take another break.

7 You want to take five minutes,
8 Ken, to stretch your legs?

9 THE WITNESS: Sure. Thanks,
10 all.

11 THE VIDEOGRAPHER: The time is
12 3:32 p.m., and we are going off the
13 record.

14 (Recess taken 3:32 p.m.)

15 (Resumed 3:43 p.m.)

16 THE VIDEOGRAPHER: The time is
17 3:43 p.m., and we are back on the
18 record.

19 CONTINUED EXAMINATION BY

20 MR. GOLD:

21 Q All right. Good to see you
22 again, Mr. Blom.

23 Just now, Google's counsel asked
24 you some questions about header bidding,
25 right? And they were asking about the

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2 downsides of header bidding -- or potential
3 downsides to header bidding.

4 What does BuzzFeed do to manage
5 those potential downsides to header
6 bidding?

7 A Yeah, the downsides cited were
8 malware or latency.

9 That could be because of a
10 particular partner that is bidding within
11 the system, and we can identify that. Not
12 everything is that easy to identify, but we
13 would be able to identify things like, hey,
14 we add this partner and now our latency has
15 gone up. Is it the partner's problem?

16 And we would go talk to the
17 partner.

18 So no, nothing programmatic.
19 Out advertising is set it and forget it.
20 You're constantly talking to your partners.
21 You're making sure that they're not doing
22 anything that you don't want them to be
23 doing and, you know, we have a lot of
24 checks and balances and teams that are
25 looking into things like latency or things

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2 like, you know, how much malware we have on
3 a site, something lake that.

4 Q So it sounds like BuzzFeed is
5 able to manage those potential downsides?

6 MR. JUSTUS: Objection. Form.

7 A Yes, we are.

8 Q Okay. I'm going to shift -- one
9 second.

10 And why does BuzzFeed continue
11 to use header bidding despite those
12 potential downsides?

13 MR. JUSTUS: Objection. Form.

14 A Yeah, we believe that it is
15 still -- the positives outweigh the
16 negatives, which, you know, having more
17 competition is something we believe helps
18 us and helps our advertising revenue.

19 It could come with certain risk,
20 and it does come with the fact that we need
21 to employ people to manage certain things
22 and keep an eye on stuff. But, you know,
23 we view the competition and the even
24 playing field that header bidding offers as
25 a positive.

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2 an advertiser and say, I want to have a
3 conversation with you about display ads and
4 display ads only, they would probably not
5 get the meeting.

6 You know, the advertisers want
7 more. They want the bells and -- if they
8 are going to have a direct relationship
9 with an IO and guarantee more money, it's
10 not going to be in just display.

11 And I guess to elaborate on
12 that, we are trying to get advertisers to
13 buy several products from us with our
14 direct sold strategy, not just one. And in
15 buying several products, we get a higher
16 average deal size.

17 So, you know, our sellers are
18 sort of instructed to sell more products,
19 get the highest average deal size you
20 possibly can, rather than a smaller deal
21 that, you know, is not going to be as
22 beneficial for us from a revenue
23 perspective.

24 Q Fair to say it would not be easy
25 to switch a large amount of advertising

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2 from open auction to direct display?

3 A It would not.

4 Q Why would it not be easy to
5 switch a large amount of advertising from
6 open auction to direct display?

7 A I believe open auction is
8 different demand than what a direct sold
9 sales team is going to go out there and
10 get.

11 If you think about open auction,
12 it's hundreds of advertisers spending
13 anywhere from \$5 to \$100,000, right, in a
14 given month or week, if you will.

15 So we would have to have a much
16 bigger footprint in order to find all those
17 clients. And then, even if I were to do
18 that, am I really excited about the seller
19 that sold the \$5 deal? No, I'm not. You
20 know, and it would be a needle in the
21 haystack to sort of kind of manage that
22 process. It would take more time, more
23 people, and more effort.

24 And then, I guess, furthermore,
25 which is what I lead with, is I don't think

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2 the advertising community necessarily wants
3 that.

4 Q Okay. I'm going to go to
5 Google's Exhibit Number 2.

6 If you could pull that up,
7 please.

8 It's Tab 6 as well.

9 Mr. Blom, can you see it?

10 A I don't have anything on my
11 screen.

12 MR. GOLD: Jesus, are you the
13 one pulling it up right now?

14 THE VIDEOGRAPHER: Yes, sir.
15 One moment.

16 MR. GOLD: All right.

17 BY MR. GOLD:

18 Q You're on the right page
19 already.

20 So right now on the screen I see
21 a document, page 9 out of 12 on the PDF.

22 MR. GOLD: And if you could
23 scroll a little lower, so we can see
24 the Bates number, Jesus?

25 So I see the Bates number is

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2 That said, manual process and
3 it's been hard to know the incrementality
4 of these price floors.

5 Q So before UPR, other publishers
6 could have decided to use different price
7 floors for different exchanges, right?

8 A Correct.

9 Q And before UPR, another
10 publisher could have decided to set a
11 higher price floor for AdX than for other
12 exchanges, right?

13 A I believe so, yes.

14 Q And that would have potentially
15 shifted transactions from AdX to other
16 exchanges, right?

17 A Potentially, if that's how
18 demand worked, yeah.

19 Q AdX is, by far, the largest
20 exchange for BuzzFeed, right?

21 A Correct.

22 Q And AdX could be, by far, the
23 largest exchange for other publishers, too,
24 right?

25 A I wouldn't know, but yeah.

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2 Q And before UPR, other publishers
3 could have concluded that they wanted to
4 set different price floors for different
5 exchanges to reduce their dependence on
6 AdX, is that fair?

7 A Potentially.

8 Q And you've decided for
9 BuzzFeed -- uniquely for BuzzFeed, that
10 it's not worth the hassle to set different
11 price floors for different exchanges,
12 right?

13 A Correct. I think it would be in
14 terms of, you know, environments that we
15 spoke about and all of the brands that
16 we're managing, we view UPR as a tool that
17 allows us to create efficiency and will
18 live with, you know, that price floor being
19 set in that way.

20 MR. GOLD: Jesus, we can take
21 down this document.

22 BY MR. GOLD:

23 Q But other publishers could have
24 decided that for them, based on their
25 specific circumstances, based on their

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2 find that it doesn't increase. Maybe
3 demand is decreased or maybe there's other
4 factors as to how that auction was going.

5 So I think, you know, you don't
6 want to test too many things that could
7 impact that revenue.

8 Q So, you know, you used the word
9 "experiment."

10 Does UPR restrict a publisher
11 from experimenting with price floors like
12 that?

13 A I guess so, but you don't have
14 to use UPR. So I think, in theory, using
15 UPR would restrict that, yeah.

16 Q But it would be better for
17 publishers to have the option to set
18 different price floors?

19 A Yes, if, you know, you have the
20 time and team and capability to do those
21 things.

22 Q Okay. That makes sense. I'm
23 going to shift gears away from UPR.

24 And I recall that -- or do you
25 recall that counsel asked you some

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2 advertising result than you did from
3 display. And so people would not want --
4 advertisers would not want to treat those
5 budgets equally because paid search
6 historically performs better than display.

7 So you break out your budgets in
8 that way.

9 Q You answered about paid search.
10 I was thinking about social.

11 A Sorry, yeah, and I only say paid
12 search because my Reprise -- just speaking
13 to my Reprise days was mostly paid search,
14 and that was the very beginning of like the
15 first Facebook ad.

16 So you had a lot of advertisers
17 who had no idea what the ROI of what those
18 social ads could be.

19 If you'd like me to fast forward
20 to today --

21 Q Sure.

22 A -- yeah, social budgets are
23 still pretty broken out. They're different
24 than display, and they're different than
25 online video.

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2 Some advertisers have them sort
3 of converged, and they do a good job
4 optimizing across all of them and maybe one
5 team buys all of them. It just depends on
6 how big an advertiser you are, right?

7 So a lot of your
8 direct-to-consumers brands aren't going to
9 have three different people buying ads.
10 They'll have one person.

11 Q Why are they separated, the
12 social budgets, the display budgets, the
13 teams?

14 MR. JUSTUS: Objection.

15 A Yeah, budgets will be
16 separated -- you know, similar answer I
17 gave to paid search, but effectiveness is
18 going to be different from social to
19 display.

20 And social over the years is
21 more effective than display and, therefore,
22 that's why you have these different
23 budgets.

24 Q Okay.

25 MR. GOLD: Jesus, can we open up

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2 OpenX?

3 MR. JUSTUS: Objection. Form.

4 A Same. Don't know off the top of
5 my head. If you're asking for a gut
6 ballpark answer, they're going to be about
7 5 percent, too.

8 Q Okay.

9 MR. GOLD: Jesus, could we
10 scroll down on the document?

11 BY MR. GOLD:

12 Q I see another that says:
13 "Colossus."

14 Do you see that, Mr. Blom?

15 A Yes.

16 Q Could you ballpark the --
17 BuzzFeed's programmatic display revenue
18 from Colossus?

19 MR. JUSTUS: Objection. Form.

20 A I'm just going to keep caveating
21 the same, going off the top of my head, my
22 gut reaction would be 1 to 2 percent.

23 Q 1 to 2 percent.

24 On the bottom, I see Ozone.

25 A Yeah.

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2 would you expect advertisers to look for
3 other websites to advertise on?

4 MR. GOLD: Objection. Form.

5 A I think they would. I mean, we
6 didn't see this with price of advertising,
7 but we saw it with ATT and effectiveness of
8 advertising, and I think advertisers did
9 look other places.

10 I don't think they looked to
11 websites. I think they looked to places
12 like TikTok.

13 So we saw your question play out
14 recently, and it -- yeah, it doesn't mean
15 if something happens on Facebook, do
16 advertisers -- do websites benefit, because
17 there is the looming TikTok of it all.

18 Q Yeah. So let me ask you a
19 question.

20 If the rate of return for
21 advertising on Facebook went down and open
22 websites went up, would you expect
23 advertisers to move advertising toward
24 open-web websites?

25 MR. GOLD: Objection. Form.

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2 A Yes, especially if you're saying
3 that the rate of return has gone up for
4 some reason compared to social.

5 Q And if the rate of return for
6 direct sold advertising goes up relative to
7 open auctions, would you expect advertisers
8 to move toward direct purchases?

9 MR. GOLD: Objection. Form.

10 A I'll answer that with a maybe.
11 I think advertisers, even if -- you know,
12 the classic saying is, We've got a better
13 mousetrap and we will get you better
14 results.

15 Advertisers like what's easy.
16 And they -- probably, many would still
17 continue to buy in the open auction because
18 that's easy. Whereas I may be saying, hey,
19 buy with us direct over here, I'm going to
20 get you better results, it sounds like more
21 work, so they won't do it.

22 Q Some would?

23 A Some would --

24 MR. GOLD: Objection. Form.

25 A -- and I think some would not.